Price increase of life saving drugs

1077. SHRI TARIQ ANWAR: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that the prices of life saving drugs have to be increased in the near future;

(b) if so, the details thereof;

(c) whether it is also a fact that recommendations have been given for constitution of single regulator of prices of drugs; and

(d) if so, what are its recommendations and the details thereof?

THE MINISTER OF CHEMICALS AND FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN): (a) to (d) The Drugs (Prices Control) Order, 1995 (DPCO, 95) does not make any distinction between Life Saving drugs and other drugs. There is no specific norms or guidelines to determine as to which drugs can be classified as life saving drugs. Every drug, in general, is considered useful in saving and prolonging of life.

As per the present Pharma Pricing Policy, the 74 bulk drugs specified in the First Schedule of the Drugs (Prices Control) Order, 1995 (DPCO, 95) and the formulations based thereon are under price control and their prices are fixed/revised by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the DPCO, 95.

Prices of non-Scheduled formulations are fixed by the manufacturers themselves keeping in view the various factors like cost of production, marketing/selling expenses, R&D expenses, trade commission, market competition, product innovation, product quality etc., The NPPA monitors the prices of medicines as per monthly Retail Audit Reports of ORG-IMS Research Pvt. Ltd. The Government takes corrective measures where the public interest is found to be adversely affected.

Fixation/revision of prices of Scheduled formulations is an ongoing activity undertaken by the NPPA under the provisions of the DPCO, 1995.

A Task Force under the Chairmanship of Dr. Pronab Sen, Principal Adviser, Planning Commission was constituted to explore options other than price control to make available life saving drugs at reasonable prices. The Task Force has submitted its report to the Government on the 20th September, 2005. The Task Force has recommended, *inter-alia*, for constitution of single regulator of prices of drugs.

The Government in consultation with various stakeholders is examining the recommendations of the Task Force. Based on this a new Pharmaceutical Policy is likely to be announced shortly.

Revival of Sindri and Barauni Fertilizer Units

1078. SHRI DIPANKAR MUKHERJEE:
SHRI CHITTABRATA MAJUMDAR:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Project and Development India Ltd. (PDIL) has submitted reports on revival of Sindri Unit of FCI, Durgapur, Barauni Unit of HFC and Amjhore unit of PPCL;

(b) if so, when was the report submitted;

(c) the brief out line of the revival report;

(d) Government's time bound action plan on the same?

THE MINISTER OF CHEMICALS AND FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN): (a) Yes, Sir.

(b) Reports of PDIL in respect of revival of HFC and FCI units has been received on 7.10.2004 and that of Amjhore unit of PPCL on 2.11.2004.

(c) In respect of Sindri unit, the report has proposed two alternatives. One is to make the plant functional on quick restart basis involving a capital cost of Rs. 169.26 crore with cost of production of Rs. 13024 per MT of urea. Second option is for improving the performance and energy efficiency at a cost of Rs. 386.95 crore with cost of production at Rs. 11938 per MT of urea. FCI Board did not accept this proposal and instead proposed a brown field gas based plant. In the case of Durgapur and Barauni units of HFC, the report has proposed setting up of brown field gas based fertilizer plants. As regards Amjhore unit of PPCL, as the proposal contained in the report was not found techno-economically viable, a Committee under the Chairmanship of Shri K.L. Rao was set up to study the viability of mining and selling of pyrites at the unit directly as fertilizers. The Committee has submitted its report on 15.7.2005.

(d) The revival of these units will depend on the techno-economic viability of the proposals.